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FISCAL IMPACT STATEMENT

LS 7517

BILL NUMBER: HB 1534

NOTE PREPARED: Jan 12, 2009

BILL AMENDED:

SUBJECT: Communications Infrastructure.

FIRST AUTHOR: Rep. Koch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the Commissioner of the Department of Administration to negotiate and enter into lease agreements for the lease of state-owned land for the purpose of allowing mobile communications infrastructure to be placed on the land. It provides that such lease agreements must: (1) not be for a term of more than 30 years; and (2) provide for the nonexclusive use of the land by the lessee. It provides that the Commissioner may enter into more than one lease agreement with respect to the same parcel of land.

The bill requires the Indiana Utility Regulatory Commission (IURC) to adopt rules to establish a program that may be adopted and implemented by energy utilities seeking to enter into co-location agreements with communications service providers. It sets forth certain standards that the program established by the IURC must include.

With respect to a conservation easement recorded after June 30, 2009, it provides that it is not a breach of the conservation easement for: (1) the holder of the easement; or (2) an owner of an interest in the property subject to the easement; to use or lease a part of the property, not exceeding six acres, for the purpose of placing on the property a transmission tower or other infrastructure used to provide commercial mobile service. This bill also provides that any part of the property used for such purpose: (1) ceases to be subject to the conservation easement; and (2) becomes subject to assessment and taxation for property tax purposes on a basis that reflects the new use of the property.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: *Department of Administration (DOA):* This bill provides that the

Commissioner of the DOA may negotiate and enter into lease agreements for the lease of state-owned land for the purpose of allowing mobile communications infrastructure to be placed on the land. Any increase in administrative expenditures should be covered under the existing level of resources.

Indiana Utility Regulatory Commission (IURC): The bill will increase the administrative expenditures of the IURC. The bill requires the IURC to adopt rules to establish a program that may be adopted and implemented by energy utilities seeking to enter into co-location agreements with communications service providers. It is estimated that the IURC will be able to implement this provision within its existing level of resources.

Background Information- As used in this bill, "co-location agreement" means a contract entered into by an energy utility and a communications service provider under which the energy utility agrees to allow the communications service provider to place communications facilities on the energy utility's electric transmission facilities.

As used in this bill, "energy utility" means a public utility or a municipally owned utility

Explanation of State Revenues: To the extent that the DOA enters into lease agreements for the lease of state-owned land for mobile communications infrastructure to be placed on the land, revenues could increase. Revenues from lease of state-owned land are allocated the state agency that owns the land.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOA; IURC; All

Local Agencies Affected: Municipally owned utilities.

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